

**DEFERRED\***

**MEETING OF THE BOARD OF DIRECTORS  
OF THE  
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

**RESOLUTION NO. 04-05**

WHEREAS, the Central Texas Regional Mobility Authority ("CTRMA") was created pursuant to the request of Travis and Williamson Counties and in accordance with provisions of the Transportation Code and the petition and approval process established in 46 Tex. Admin. Code § 26.01, *et. seq.* (the "RMA Rules"); and

WHEREAS, the Board of Directors of the CTRMA desires its employees to partake in the Texas County and District Retirement System (TCDRS), which is a multi-employer, defined benefit pension plan under section 401(a) of the Internal Revenue Code; and

WHEREAS, the Texas Legislature has established the Texas County and District Retirement System (hereinafter called "TCDRS") pursuant to Section 67 of Article XVI of the Texas Constitution; and

WHEREAS, the governing statute Subtitle F, Title 8, Government Code (hereinafter "TCDRS Act") directs that the governing body shall determine whether a district (hereinafter, "CTRMA") shall participate in TCDRS<sup>1</sup> so established; and

WHEREAS, the CTRMA board has reviewed, and upon passage of this Resolution No. 04-05, shall execute the TCDRS "Acknowledgment of Conditions Governing TCDRS Participation" attached as Exhibit A to this Resolution; and

WHEREAS, the CTRMA board has determined that it is in the public interest that the CTRMA participate in TCDRS, to more adequately provide for the retirement security of its eligible employees;

NOW THEREFORE, BE IT RESOLVED:

***I. Election to Participate***

Pursuant to the provisions of the TCDRS Act, CTRMA hereby elects to participate in, and have its employees participate in the TCDRS, such participation to begin and be effective on the date approved by the TCDRS Board of Trustees.

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<sup>1</sup> In this resolution, the respective terms "contributions," "employee," "prior service," "service," and "System" have the meanings defined for such terms by the TCDRS Act.

## ***II. Membership of Employees***

All persons who are employees of CTRMA on the effective date of participation prescribed above shall become members of TCDRS and shall be allowed credit for prior service in accordance with the provisions of the TCDRS Act and the Rules and Regulations of the TCDRS Board of Trustees. Each person who shall become an employee of the CTRMA subsequent to the effective date of participation who is not already a member of TCDRS, shall become a member on the date of employment.

## ***III. Adoption of Plan Selections***

Pursuant to the provisions of the TCDRS Act, CTRMA hereby makes the plan selections authorized by Subchapter H of Chapter 844 of the said TCDRS Act.

### ***A. Basic Plan Benefit Eligibility***

(Ten-year credited service requirement for vesting and service/disability retirement)

Effective the date of participation, the CTRMA adopts the 10-year/Age 60 Retirement Eligibility described in Section 844.207 of the TCDRS Act, under which:

- (a) Any TCDRS member who has ten (10) or more years of service credit with CTRMA and other subdivisions that have adopted the provisions of Section 844.207 or 844.210, is a vested member under Section 844.207(d) and shall have the right to retire and receive a service retirement annuity after attaining age 60, unless the Optional 8-year/Age 60 Retirement Eligibility described under Section 844.210 is adopted in this resolution (refer to Section IV of this resolution).
- (b) Any TCDRS member who is a vested member may terminate employment with all participating subdivisions prior to attaining age 60, and remain eligible to retire and receive a service retirement annuity after attaining age 60 provided his or her membership is not terminated other than by retirement.
- (c) Any TCDRS member who is a vested member under Section 844.207(d) may retire and receive a disability retirement annuity if he or she is certified as disabled in accordance with Section 844.303(b)(2).
- (d) Any TCDRS member who is a vested member under Section 844.207(d) or who is described in Section 844.207(e) shall have the right to retire and receive a service retirement annuity when the member's years of credited service added to his or her attained age equals or exceeds the sum of eighty (80), unless the Optional Rule of 75 Retirement Eligibility described under Section 844.211 is adopted in this resolution (refer to Section IV of this resolution).

**B. *Survivor Annuity Death Benefit***  
(Four year credited service retirement for survivor annuity death benefit)

By adopting this resolution, the provisions of Section 844.407, "Survivor Annuity Death Benefit," shall apply to CTRMA. Any TCDRS member who has four (4) or more years of service credit with CTRMA and other subdivisions that are subject to Section 844.407(a)(1) is an eligible member for purposes for the "Survivor Annuity Death Benefit" provided under Section 844.407.

**C. *Employee Deposit Rate***

For each payroll period from and after the effective date of participation, member deposits of each eligible CTRMA employee shall be made to TCDRS at the rate of 7.0 %<sup>2</sup> of compensation; and such deposits shall be certified by the subdivision correspondent and transmitted to TCDRS for deposit to the individual employee account.

**D. *Current Service Credit Percentage***

For service performed for the CTRMA on or after the effective date of participation, each member shall receive *multiple matching credit*, which, when added to the rate used to determine the *current service credit* allowable under Section 843.403, will total 250% of the member's deposits.

**E. *Prior Service Credit Percentage***

Allocated (special) prior service credits granted to any member by CTRMA shall be computed at 250% of the maximum (special) prior service credit of each member affected.

**IV. *Selection and Adoption of Optional Credits and Benefits***

Pursuant to Section 844.704 of the TCDRS Act, CTRMA adopts the following additional rights, credits and benefits, effective as of the date of participation. **The presiding officer of the governing board must sign in the space preceding each option selected.**

\_\_\_\_\_ **Optional 8-year/Age 60 Retirement Eligibility under Section 844.210**  
8-year service eligibility requirement for vesting, service and disability retirement

\_\_\_\_\_ **Optional Rule of 75 Retirement Eligibility under Section 844.211**  
A member shall have the right to retire and receive a service retirement annuity when the years of such credited service added to his or her years of attained age equals or exceeds seventy-five(75).

\_\_\_\_\_ **Optional 20-year/Any Age Retirement Eligibility under Section 844.212**

<sup>2</sup> Four, five, six, or seven percent unless a lower percentage is required under Section 844.703(h) of the TCDRS Act.

A member shall have the rights to retire and receive a service retirement annuity when the years of such credited service equals or exceeds twenty (20).

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**Credited Service for Qualified Military Service under Section 843.601(c)**

Military service typically performed prior to becoming an employee of the CTRMA. An eligible member is one who has service equaling at least the minimum period required to retire at age sixty (60) with the CTRMA.

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**Partial Lump-Sum Distribution on Service Retirement under Section 844.009**

The option of Partial Lump-Sum Distribution (PLSD) at retirement allows your current members who are eligible for service retirement to receive a portion of their retirement benefit in the form of a partial lump-sum distribution that cannot exceed 100 percent of their account balance. This distribution is made in addition to a lifetime monthly annuity under one of the TCDRS retirement options.

**V. *Employer Contribution Rate***

The CTRMA hereby undertakes to make monthly normal contributions and prior service contributions to the System at an employer contribution rate that equals or exceeds the total calculated employer contribution rate (*i.e.*, the calculated employer contribution rate plus the rates for any optional rights, benefits and credits elected in Section IV), determined from year to year by the actuary of the System, and approved by the Board of Trustees of the System as provided by Subchapter H of Chapter 844 of the TCDRS Act; such rates (excluding those for "picked-up" contributions under Section 845.403(i) of the TCDRS Act and those, if any, to the Supplemental Death Benefits Fund under Section 845.406) not to exceed the statutory maximum, currently 11 percent, prescribed by Section 844.703(c) of said Act, unless the CTRMA's governing board elects to waive that statutory limit. Any waiver of the statutory maximum rate made in accordance with Section 844.703(c) shall remain in effect until January 1 of the year following the year in which the waiver is repealed by the CTRMA's governing board. An employer contribution rate adopted by the CTRMA's governing board that exceeds the total calculated employer contribution rate shall remain in effect for each subsequent year until rescinded by the CTRMA's governing board. **Effective the date of participation, the CTRMA shall make subdivision contributions to the System at the employer rate of 13.35%<sup>3</sup> for the first two years of participation.**

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<sup>3</sup> The employer contribution rate should equal either (a) or (b):

(a) The Calculated Employer Contribution Rate shown in Exhibit One, plus the sum of additional rates for optional credits and benefits selected.

(b) Any percentage rate (e.g., 4%, 4.50%, 7%, 8%, 8.75%, 9.90%, 10%, 11%) that is equal to or greater than the rate computed in accordance with the instructions set out in (a) immediately above. The CTRMA may elect to contribute at a total calculated employer contribution rate in excess of 11% (as determined by the actuary) or at an elected rate in excess of 11% only if the CTRMA waives the statutory maximum employer contribution rate limit in accordance with Section 844.703(c). The waiver of the statutory maximum employer contribution rate remains in effect until revoked by the CTRMA's governing board. If the CTRMA elects to contribute at a rate above the required rate, that elected rate will remain in effect unless changed by a subsequent CTRMA's governing board

V. *Employer Contribution Rate (continued)*

**Election to waive the Statutory Maximum Employer Contribution Rate Limit**

Please note that the presiding officer of the governing board must sign the following election, but **ONLY IF**:

1. The CTRMA's governing board is adopting optional rights, credits or benefits that produce an employer contribution rate in excess of 11%; or
2. The CTRMA's governing board is adopting an elected employer contribution rate in excess of 11%.

Effective the date of participation, the CTRMA's governing board elects to waive the statutory maximum employer contribution rate limit as prescribed in Section 844.703(c).

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 25th day of February, 2003.

Submitted and reviewed by:

Approved:

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C. Brian Cassidy  
Legal Counsel for the Central  
Texas Regional Mobility Authority

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Robert E. Tesch  
Chairman, Board of Directors  
Resolution Number 04-05  
Date Passed 02/25/03

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resolution. However, if the total calculated employer contribution rate exceeds the elected rate in a subsequent year, the CTRMA must pay at the higher calculated employer contribution rate or higher elected rate.

**Part Three: Secretary's Certification**

I, Robert E. Tesch, Chairman<sup>4</sup> of the Central Texas Regional Mobility Authority,<sup>5</sup> and custodian of its official records, do hereby certify that the foregoing is a full, true and correct copy of : **Resolution Authorizing TCDRS Participation and Making Plan Selections Thereunder, and of the official minutes pertaining to its adoption, as the same appear of record in the official minutes of the CTRMA.**

Given under my hand and seal of office this 25th day of February, 2004.

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Chairman

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<sup>4</sup> The Chairman or the Vice-Chairman of the Board may complete Part Three in the absence of the Board Secretary

<sup>5</sup> Name of subdivision



# Acknowledgment of Conditions Governing TCDRS Participation

## General Conditions

- The Texas County and District Retirement System (TCDRS) is a qualified retirement plan under Section 401(a) of the Internal Revenue Code. The TCDRS Act (Subtitle F, Title 8, Texas Government Code) is the basis for administration of the retirement system. *In all cases, the actual provisions of state and federal governing law take precedence over information provided in any other form.*
- The assets of all TCDRS members and employer plans are pooled for investment purposes. Neither an individual member nor the District directs the investment of those assets.
- Information held by TCDRS that is identifiable with an individual member's personal account, benefit amounts or beneficiary designations is confidential under state law and may be disclosed to the District's governing board only if it is necessary for the local administration of the District's TCDRS plan.

## Plan Funding and Employer Contributions

- The TCDRS plan of each participating county or district is treated actuarially and financially as a separate retirement plan.* There is no pooling of costs or benefits.
- Employer contribution rates are actuarially determined by TCDRS.* An employer cannot determine its own required rate, but may elect to contribute at an optional higher rate.
- Employer contributions are held in trust by TCDRS and may not be returned to the District. Employer assets can be used only to fund benefits for plan participants.
- TCDRS is authorized to impose remedial measures on any plan determined to have a funding deficiency if its governing board declines to take corrective action.
- Monthly reports and employee/employer contributions must be received by TCDRS no later than 5 p.m. of the 15<sup>th</sup> day following the month for which they are submitted. *Contributions or reports received after the deadline are deemed late and incur a \$500 penalty. Late contributions also incur penalty interest at the annual rate of 12% for each day the contributions are past due.* Reports may be filed electronically and monthly contributions may be submitted by ACH Debit to ensure their timely submission.

## Employee Participation and Benefit Elections

- Participation in TCDRS may not be terminated by the District.* The District may elect to discontinue the enrollment of future new hires starting on a specified date, but it is legally obligated to continue the participation of all previously enrolled members.
- TCDRS participation is mandatory for all eligible employees.* All participating employees must contribute the same percentage of salary as elected by the governing board.
- The governing board of the District is responsible for establishing the initial employee deposit level, benefit levels and retirement eligibility factors for the District's retirement plan. The Board may adopt future plan changes based on selected optional benefits and rates provided by TCDRS and may request employer rates for other allowable benefit options.



# Acknowledgment of Conditions Governing TCDRS Participation

## Actuarial Assumptions and Cost/Benefit Projections

- Projections of employer costs and contribution rates are based on actuarial assumptions, the most important being the assumed annual allocation of 9% interest to employer accounts, and assumed levels of member withdrawals and payroll growth. *Investment return and interest allocations are assumed, but not guaranteed. Actual employer interest allocations or plan experience that differ significantly from assumptions can result in significant rate variation, especially in smaller plans.* Actuarial assumptions are reviewed every four years and may be adjusted by TCDRS, with the adjustments affecting employer rates.
- Projections of benefit payments provided now or in the future are not guarantees of payments, but estimates. These estimates assume the continued existence of the District, its ongoing employer contributions and no decrease in the number of contributing employees. *Termination of the District or a significant decrease in the number of its depositing members can cause funding problems for its TCDRS plan and prevent it from providing current or future benefits at promised levels.*

## Board Members' Acknowledgment

(All Board members should sign below. It is not necessary to include titles.)

We hereby acknowledge that we have been advised of the conditions governing the participation of the \_\_\_\_\_ in the Texas County and District Retirement System. Witness our hands officially on this \_\_\_\_\_ day of \_\_\_\_\_ 200\_\_.


Attest (By Other Than Board Member):

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